GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1305
ANSWERED ON:21.08.2007
FTA WITH ASEAN COUNTRIES
Mehta Shri Bhubneshwar Prasad

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India is entering into a free trade agreement with the members of the Association of South East Nations(ASEAN);

(b) if so, the details thereof;

(c) the benefits likely to accrue as a result of this agreement;

(d) whether some `ASEAN` countries are carrying out illegal trade through Sri Lanka;

(e) the quantum of trade undertaken by India with the ASEAN countries, China and the SAARC countries from the financial year 2005 till June 30th 2007, and

(f) the efforts made by the Government to increase mutual trade with the SAARC countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (c) Yes, Sir. Framework Agreement on Comprehensive Economic Cooperation Agreement (CECA) between ASEAN and India was signed on 8th October 2003 in Bali, Indonesia. The negotiations for India-ASEAN Comprehensive Economic Cooperation Agreement (CECA) are currently in progress.The ASEAN-India CECA is expected to increase the trade in goods, services, investments and cooperation in other sectors between India and ASEAN member countries.

(d) No such specific case of illegal trade has come to the notice.

(e) The quantum of trade undertaken by India with the ASEAN countries, China and the SAARC countries between 2005 and 30th June 2007 is Annexed.

(f) India has given zero duty market access to Nepal, Bhutan and Sri Lanka under the bilateral agreements signed with these countries. India is a signatory of the Agreement on South Asian Free Trade Area (SAFTA), which came into force from 1st January 2006. During the 14th SAARC Summit held in New Delhi on 3-4 April, 2007 India has decided to provide zero duty market access to LDC members of SAARC namely Bangladesh, Bhutan, Maldives and Nepal by the end of this year (2007). India also announced its decision to further reduce items in the Sensitive List of India for these LDC members, which presently consists of 744 items.